

STATE OF MINNESOTA  
DEPARTMENT OF COMMERCE  
BULLETIN 92-5

Issued this 24th day of  
September, 1992

TO: ALL HEALTH CARRIERS LICENSED TO DO BUSINESS IN MINNESOTA

Section I

Attached is the Notice to the Commissioner format for reporting cancellations, non-renewals and other terminations of coverage of the identified small employers between April 20, 1992 and June 30, 1993.

Section II

Pursuant to M.S. 62L.10 and to determine compliance with the spirit of the statute all carriers must identify the small employers, (as defined in M.S. 62L.02, subd. 26), covered on or after April 20, 1992, the date of the final enactment of the law.

1. Name of employer, address, policy number
2. Effective date of coverage (indicate new or renewal)
3. Total annual premiums earned from small employer groups for each year from 1987 through 1991)
4. Number of employees currently covered in 1992

Please respond within ten business days of receipt of this Bulletin.

\*\*See reverse side for statutory definition of small employer.

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Any questions may be directed to:

John T. Ingrassia, CLU  
Department of Commerce  
Policy Analysis Supervisor  
133 E. 7th St.  
St. Paul, MN 55101  
(612) 296-9434

  
BERT J. MCKASY  
Commissioner of Commerce

Subd. 26 [SMALL EMPLOYER.] "Small employer" means a person, firm, corporation, partnership, association, or other entity actively engaged in business who, on at least 50 percent of its working days during the preceding calendar year, employed no fewer than two nor more than 29 eligible employees, the majority of whom were employed in this state. If a small employer has only two eligible employees, one employee must not be the spouse, child, sibling, parent, or grandparent of the other, except that a small employer plan may be offered through a domiciled association to self-employed individuals and small employers who are members of the association, even if the self-employed individual or small employer has fewer than two employees or the employees are family members. Entities that are eligible to file a combined tax return for purposes of state tax laws are considered a single employer for purposes of determining the number of eligible employees. Small employer status must be determined on an annual basis as of the renewal date of the health benefit plan. The provisions of this chapter continue to apply to an employer who no longer meets the requirements of this definition until the annual renewal date of the employer's health benefit plan. Where an association, described in section 62A.10, subdivision 1, comprised of employers contracts with a health carrier to provide coverage to its members who are small employers, the association may elect to be considered to be a small employer, even though the association provides coverage to more than 29 employees of its members, so long as each employer that is provided coverage through the association qualifies as a small employer. An association's election to be considered a small employer under this section is not effective unless filed with the commissioner of commerce. The association may revoke its election at any time by filing notice of revocation with the commissioner.

TO: STATE OF MINNESOTA  
OFFICE OF THE COMMISSIONER  
DEPARTMENT OF COMMERCE  
133 EAST SEVENTH STREET  
ST. PAUL, MN 55101  
(612) 296-4026

NOTICE TO THE COMMISSIONER  
(Pursuant to M.S. 62L.10, subd. 5)

You are hereby notified that (NAME OF CARRIER) has terminated coverage for the following small employer:

NAME OF EMPLOYER \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
POLICY NUMBER \_\_\_\_\_  
NUMBER OF EMPLOYEES COVERED \_\_\_\_\_  
NUMBER OF EMPLOYEES EMPLOYED IN MINNESOTA \_\_\_\_\_

(Check one)

Cancellation \_\_\_\_\_ Non-Renewal \_\_\_\_\_ Other \_\_\_\_\_

Reason for Termination of Coverage:

(Enclose copy of notice of termination)

Effective date of termination:      Month      Date      Year

\_\_\_\_\_  
Name of Authorized Representative

\_\_\_\_\_  
Title

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date of this Notice

subd. 5. TRANSITIONAL PRACTICES. The commissioner shall disapprove index rates, premium variations, or other practices of a health carrier if they violate the spirit of this chapter and are the result of practices engaged in by the health carrier between the date of final enactment of this act and July 1, 1993, where the practices engaged in were carried out for the purpose of evading the spirit of this chapter. Each health carrier shall report to the commissioner, within 30 days and on a form prescribed by the commissioner, each cancellation, nonrenewal, or other termination of coverage of a small employer between the date of final enactment of this act and June 30, 1993. The health carrier shall provide any related information requested by the commissioner within the time specified in the request. Any health carrier that engages in a practice of terminating or inducing termination of coverage of small employers in order to evade the effects of this act, is guilty of an unfair method of competition and an unfair or deceptive act or practice in the business of insurance and is subject to the remedies provided in sections 72A.17 to 72A.32.